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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/694,925	10/27/2003	Justin Monk	020375-043600US	5092
20350 7590 12/04/2009 TOWNSEND AND TOWNSEND AND CREW, LLP TWO EMBARCADERO CENTER EIGHTH FLOOR SAN FRANCISCO, CA 94111-3834				
EXAMINER				
THEIN, MARIA TERESA T				
ART UNIT		PAPER NUMBER		
3627				
MAIL DATE		DELIVERY MODE		
12/04/2009		PAPER		

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
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8 *Ex parte* JUSTIN MONK
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11 Appeal 2009-011958
12 Application 10/694,925
13 Technology Center 3600
14

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16 Decided: December 4, 2009
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19 Before WILLIAM F. PATE, III, JENNIFER D. BAHR, and
20 ANTON W. FETTING, *Administrative Patent Judges*.
21 FETTING, *Administrative Patent Judge*.

22
DECISION ON APPEAL

1 [2] receiving,

2 at the point-of-sale device from an instrument,
3 an instrument identifier identifying the instrument,
4 wherein the instrument identifier is associated with
5 a stored-value account and a credit account, and
6 wherein the stored-value account and the credit
7 account were linked to the instrument identifier
8 at a remote host
9 substantially contemporaneously with
10 issuance of the instrument to the customer;

11 [2] transmitting,

12 from the point-of-sale device to the remote host,
13 the instrument identifier;

14 [3] receiving,

15 at the point-of-sale device from the remote host,
16 account information relating to the stored-value account
17 and the credit account linked to the instrument identifier,
18 the account information generated by the remote
19 host based at least in part on the instrument
20 identifier;

21 [4] generating,

22 based at least in part on the account information,
23 a request to select a distribution of the cost for the
24 transaction among the stored-value and credit accounts;

25 [5] displaying, at the point of sale device, the request;

26 [6] receiving,

27 at the point of sale device,
28 a response to the request
29 that identifies a selected distribution identifying

a first nonzero portion of the cost for the transaction to be applied to the stored-value account and

a second nonzero portion of the cost for the transaction to be applied to the credit account; and

[7] transmitting,

from the point-of-sale device,

instructions to apply the cost for the transaction

to the stored-value and credit accounts in accordance with the received response.

THE REJECTION

The Examiner relies upon the following prior art:

Carlisle	US 5,649,118	Jul. 15, 1997
Kawan	US 5,796,832	Aug. 18, 1998

Claims 1-7 and 23-35 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Carlisle and Kawan.

ARGUMENTS

The Appellant presents arguments for the independent claims 1 and 30 only. Both independent claims require receiving, from a “remote host account”, information linking a stored value account and a credit account. The Appellant contends that Carlisle fails to describe this limitation. App. Br. 7-9. This argument is dispositive and so we need not reach the remaining arguments.

ISSUES

The issue of whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 1-7 and 23-35 under 35 U.S.C. § 103(a) as unpatentable over Carlisle and Kawan turns on whether it was predictable to receive from a remote host account information linking a stored value account and a credit account with Carlisle's card.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to Claim Construction

01. A stored value account is one in which the account is provided with funds that may later be accessed to support a transaction. Spec. 2:¶ 0004.

Facts Related to the Prior Art

Carlisle

02. Carlisle is directed to a way of purchasing a single set of consumer items by debiting any of a plurality of accounts stored on a smart card. (Carlisle 1:65-67).
03. Carlisle describes using a smart card storing data files where each data file associates an account identifier uniquely specifying a given account with an account balance and an item table identifier. Accounts are for providers such as Visa, MasterCard, Discover, ATM networks, food stamp programs, other types of welfare programs, unemployment compensation. Carlisle 2:21-

30. Such food stamp and welfare accounts maintain balances that must be sufficient for a transaction in order for these accounts to be debited. Thus, they are accounts provided with funds that may later be accessed to support a transaction. Carlisle 21:2-31. Visa, MasterCard, and Discover are credit card accounts. Carlisle 21:51-56. Thus both stored value accounts and credit card accounts have account identifiers on the same card.

04. In Carlisle, if an item is eligible for more than one account, a debit priority algorithm determines which of the accounts should be debited. The card holder is provided with the ability to mix account balance categories (dollars, specific item identification, item quantity, etc.) on a single card for a single transaction corresponding to a plurality of accounts. Carlisle 3:59 – 4:7.

05. Carlisle stores a card ID in a file on the card. Carlisle 7:7-13. At the beginning of a transaction, the card ID is transmitted to the merchant's card reader to verify the owner. Carlisle 16:2-6.

06. Carlisle's card issuer/owner transmits account linkages for card maintenance. Carlisle 14:59 – 16:40.

Kawan

07. Kawan is directed to wireless, portable terminals for providing financial information and performing financial transactions. Kawan 1:7-9.

08. When funds are transferred to and from the smart card, Kawan transmits an encrypted bank signature appended to the funds that certifies that the funds are "real." It also ensures that when the

transaction enters the settlement system, the funds are validated. Because the settlement system may involve more than one financial institution, when the transaction is ultimately presented to the financial institution for payment, the encrypted bank signature verifies that the transaction is authentic. Kawan 5:21-29.

PRINCIPLES OF LAW

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: “[(1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” *Graham*, 383 U.S. at 17. *See also KSR*, 550 U.S. at 406. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, 550 U.S. at 416.

ANALYSIS

This is the second time this application is before us. Since the last appeal, claim 1 has been amended, by adding what are now limitations [2] and [3], which require receiving, from a remote host account, information

1 linking a stored value account and a credit account. The remaining
2 independent claim 30 is similarly amended. The art before us now differs
3 from, and has no overlap with the art that was presented in the earlier appeal.
4 Thus, the issue before us was not present in the earlier appeal.

5 Carlisle describes a smart card that stores both stored value and credit
6 account information on the card. The user can use the card to make
7 purchases and allocate the cost among the various accounts subject to
8 restrictions. FF 02 - 04. Kawan describes wireless, portable terminals for
9 providing financial information and performing financial transactions. FF
10 07. The Examiner found that Carlisle described the steps of claim 1 except
11 for going to a remote host for the information. The Examiner found that
12 Kawan described communication between a smart card and a remote host for
13 security purposes. Ans. 3-5.

14 As noted above, the Appellant argues that neither reference describes
15 these new limitations that require receiving, from a "remote host account",
16 information linking a stored value account and a credit account. The
17 Examiner responded with a litany of facts spanning Answer 14-20 without
18 providing any analysis as to how those facts would lead to the conclusion
19 that the art does describe those limitations or at least show they were
20 predictable.

21 Carlisle's card already has the accounts and linkages needed to identify
22 and apply the payment distribution recited in limitations [6] and [7], which
23 explains the absence of any reception from a remote host of that information.
24 We agree that Carlisle does retrieve linked information at account
25 maintenance from the card issuer, which is among the facts found by the

Examiner. FF 06. But since such maintenance, such as card set up or adding an account, is outside of a purchase transaction, the remaining limitations of the independent claims are not met as regards point of sale.

The Examiner does not explain how going to a host for security would lead to providing linked accounts from the host, or even where Kawan describes such security. We do find that Kawan describes using data encryption from a host to improve security (FF 08), but only with a single account. Thus, we conclude the Examiner has failed to show it was predictable to return from a remote host with a linkage to several accounts during a point of sale transaction, and so has failed to present a prima facie case for the rejection.

CONCLUSIONS OF LAW

The Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 1-7 and 23-35 under 35 U.S.C. § 103(a) as unpatentable over Carlisle and Kawan.

DECISION

To summarize, our decision is as follows.

- The rejection of claims 1-7 and 23-35 under 35 U.S.C. § 103(a) as unpatentable over Carlisle and Kawan is not sustained.

REVERSED

1 mev

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